

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF EAST)	CASE NO. 90-002-G
KENTUCKY UTILITIES, INC.)	

O R D E R

On October 10, 1990, the Commission issued its Order in Case No. 90-002 approving certain adjustments and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On April 9, 1991, East Kentucky Utilities, Inc. ("East Kentucky") notified the Commission that its wholesale cost of gas will be decreased by its supplier, Kentucky-West Virginia Gas Company ("Kentucky West"), effective April 1, 1991, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. East Kentucky's notice of April 9, 1991 set out certain revisions in rates which East Kentucky proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$17,844 or 16.49 cents per Mcf.

2. East Kentucky based its purchased gas adjustment upon the wholesale rate of \$2.2925 per Dth filed in Case No. 90-002-F.¹ The correct wholesale rate is \$2.2753 per Dth as shown in Case Nos. 90-002-D and 90-002-E.² This correction results in a decrease in price from its supplier in the amount of \$15,498 or 14.32 cents per Mcf.

3. Kentucky West filed with the Federal Energy Regulatory Commission for decreased rates to become effective April 1, 1991. The effective date for the decrease should be on and after April 1, 1991. Kentucky West's rates are subject to refund; hence, East Kentucky's rates should be subject to refund.

4. East Kentucky should file with this Commission the amount of any overcollections received from April 1, 1991 to the date the approved rates are implemented, along with a refund plan.

5. East Kentucky's corrected adjustment in rates under the PGA provisions approved by the Commission in its Order in Case No. 90-002 dated October 10, 1990 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after April 1, 1991, subject to refund.

IT IS THEREFORE ORDERED that:

1. The rates proposed by East Kentucky are hereby denied.

¹ Case No. 90-002-F, The Notice of Purchased Gas Adjustment Filing of East Kentucky Utilities, Inc.

² Case Nos. 90-002-D and 90-002-E, The Notice of Purchased Gas Adjustment Filing of East Kentucky Utilities, Inc., Order dated April 26, 1991.

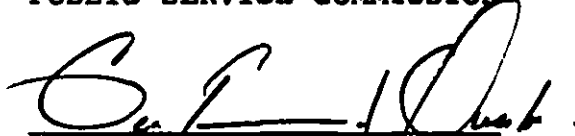
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with gas supplied on and after April 1, 1991, subject to refund.


3. Within 30 days of the date of this Order, East Kentucky shall file with this Commission its revised tariffs setting out the rates authorized herein.


4. Within 30 days of the date of this Order, East Kentucky shall file the amount of excess revenues collected, along with a refund plan.

Done at Frankfort, Kentucky, this 1st day of May, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-002-G DATED 5/01/91

The following rates and charges are prescribed for the customers served by East Kentucky Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES: Monthly

First 1 Mcf	\$8.5586 Per Mcf
Over 1 Mcf	5.6037 Per Mcf

Minimum Bill: \$8.56 for less than 1 Mcf

The base rate for the future application of the purchased gas adjustment clause of East Kentucky Utilities, Inc. shall be:

	<u>Commodity</u>
Kentucky-West Virginia Gas Company	\$2.1667/Dth*
Southeastern Gas Company	\$3.50/Mcf

*Includes 0.0146 per Dth - Gas Research Institute Funding Charge and \$.0022 Annual Charge Adjustment.